



New Sections for Appraisers and 203(k) Essentially Complete the FHA *Single Family Housing Policy Handbook* (SF Handbook; HUD Handbook 4000.1) Origination through Endorsement Section

March 18, 2015

The Federal Housing Administration (FHA) today published the complete versions of several components of its *Single Family Housing Policy Handbook* (SF Handbook; HUD Handbook 4000.1) *Origination through Post-Closing/Endorsement for Title II Forward Mortgages* (Origination through Endorsement) section. These newly published sections provide policies specific to appraiser actions for performing an appraisal for an FHA-insurable mortgage; origination policies for FHA's 203(k) Rehabilitation Mortgage Insurance Program; and policies for 203(k) Consultant actions that must be performed as part of the origination and underwriting of mortgages under the Section 203(k) program.

Consistent with the effective date for the larger SF Handbook Origination through Endorsement section, the policies published today **become effective for FHA case numbers assigned on and after June 15, 2015.**

For Appraisers: Newly Published *Appraiser and Property Requirements for Title II Forward and Reverse Mortgages*

The following appraiser and appraisal-related policies, published on March 18, 2015, work in concert with the appraisal requirements for underwriting in other parts of the SF Handbook's *Origination through Endorsement* section:

- *Appraiser and Property Requirements for Title II Forward and Reverse Mortgages* (SF Handbook II.B): This section is the newly published version of the draft policies posted for feedback in July 2014. It contains FHA policies specific to appraiser actions: property eligibility requirements; requirements for appraisers when performing appraisals; and the reporting of appraisal results. The published version of this section also includes:
 - Further revised language in order to achieve the goal of clear, direct, and consistent language and terminology.
 - Language implementing policy changes and revisions, as proposed in the draft section posted for feedback in July 2014.
- *Single Family Housing Appraisal Report and Data Delivery Guide*, which is technically not part of the SF Handbook policy document, but works in concert with, and is accessible through hyperlinks from the Appraiser and Property Requirements section and other sections of Origination through Endorsement. This guide includes all the appraisal report and data format information, and instructions for appraisers to complete, and for mortgagees to deliver, appraisal reports and data to FHA for an FHA-insurable mortgage.



Overview Conference Call for Appraisers and Underwriters

FHA will host the following conference call briefing session that will provide an overview of the published version of the Appraiser and Property Requirements section and the *Single Family Housing Appraisal Report and Data Delivery Guide*:

- **Date:** April 16, 2015
- **Time:** 2:00 PM - 3:00 PM (Eastern)
- **Title:** SF Handbook Appraiser & Property Requirements
- **Dial-in Number:** (866) 254-5938
- **Participant Access Code:** 355440

For Mortgagees and 203(k) Consultants: Newly Published Section 203(k) Rehabilitation Mortgage Insurance Program and 203(k) Consultant Requirements Sections

In August 2014, FHA posted for feedback its draft 203(k) policies used by mortgagees and FHA-approved 203(k) Consultants in originating, underwriting, and obtaining FHA insurance for a 203(k) mortgage. On March 18, 2015, FHA published these policies as follows:

- Section 203(k) Rehabilitation Mortgage Insurance Program (SF Handbook II.A.8.a): This section contains policy for mortgages insured under the Section 203(k) Rehabilitation Mortgage program for both Standard and Limited (formerly Streamlined) 203(k) mortgages. The published version of this section includes:
 - Further revised language in order to achieve the goal of clear, direct, and consistent language and terminology.
 - Language implementing several policy changes and revisions as proposed in the draft section posted for feedback in August 2014; none of which are intended as a significant departure from FHA's existing 203(k) policies. The exception is the proposed requirement published in the draft version of this section that would have required mortgagees to obtain both an "as-is" and "after improved" appraisal on all 203(k) mortgages. This proposal ***has not*** been adopted by FHA in the published version of the section.
 - Specificity for combining a 203(k) mortgage with other mortgage products and programs, including FHA Energy Efficient Mortgages (EEMs), as proposed in the draft version of the section.

FHA intends to provide an automated Maximum Mortgage Calculation Worksheet in FHA Connection (FHAC), as proposed in the draft version of the section, in the future. Until FHA makes this functionality available in FHAC, mortgagees must detail the data delivery requirements in SF Handbook 8.a.xvi on the Form HUD-92900-LT, or include the applicable 203(k) Maximum Mortgage Calculation Worksheet published on FHA's SF Handbook [Linked References](#) page on March 18, 2015.

FHA will announce the availability of the FHAC 203(k) data delivery functionality when it becomes available, with a future effective date that will provide significant lead time for mortgagees to adopt its use before the mandatory effective date.



- 203(k) Consultant Requirements (SF Handbook II.A.9): This section contains the requirements for an FHA-approved 203(k) Consultant to perform the consultant functions in conjunction with the origination of a 203(k) mortgage. The published version includes further revisions to language from the posted to the published version in order to achieve the goal of clear, direct, and consistent language and terminology. The requirements published on March 18, 2015 are not intended as a departure from FHA's existing 203(k) Consultant requirements.

FHA intends to solicit public comment on its existing 203(k) Consultant fees in the near future. The 203(k) Consultant fees in the published version of the 203(k) Consultant section remain unchanged from those currently in place.

Overview Conference Call for Mortgagees and FHA-Approved 203(k) Consultants

FHA will host the following conference call briefing session that will provide an overview of the published versions of Origination through Endorsement's 203(k) program and 203(k) Consultant sections:

- **Date:** April 9, 2015
- **Time:** 2:00 PM - 3:00 PM (Eastern)
- **Title:** SF Handbook 203(k) Product and Consultant Requirements
- **Dial-in Number:** (866) 320-4708
- **Participant Access Code:** 355440

Attendees should thoroughly review the two sections listed above, and have access to this information during the call.

Quick Links

- View the SF Handbook dated March 18, 2015.
- Visit FHA's SF Handbook page on HUD.gov to access updated information for mortgagees.
- Read the newly revised SF Handbook Frequently-Asked Questions.